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TAGS: [AORC](#) [IAEA](#) [IR](#) [KNNP](#)
SUBJECT: IAEA/IRAN: HEINONEN'S VIEWS ON IRAN'S DECISION TO
CURTAIL COOPERATION

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 (h)

1. (S) Summary: IAEA DDG for Safeguards Heinonen on March 26 said that the IAEA had received no notifications (orally or written) from Iran concerning media reports that Iran was canceling advance design notification under the Subsidiary Arrangements to its Safeguards Agreement. Such a step, he felt, would be significant. The IAEA legal office has not assessed whether this would constitute a safeguards violation, but our Australian counterparts think it would not. End Summary.

2. (S) IAEA Deputy Director General Heinonen acknowledged reading in the press about the March 25 statements by Iranian officials that Iran would no longer abide by "code 1-3" which required early notification of design information of nuclear facilities. Heinonen said he was confident this was a garble, and that Iran meant to say "Code 3.1," which was the proper reference in the Iranian Subsidiary Arrangement on early notification of design information. Heinonen said that IAEA had received nothing in writing or verbally from the Iranians on this issue; all he had were press reports.

3. (S) Asked how important Code 3.1 was, Heinonen said it was very important. He explained that after the Iraq nuclear experience in the early 1990's, the IAEA Board of Governors decided in 1992 that in the future, states under safeguards must commit to provide advance notification of design information. He recalled that in 2003, Heinonen and his inspectors inspected Iran after the 2002 NCRI revelations. Because of lack of advance design information about Natanz, inter alia, Iran finally agreed to a formal modification of its Subsidiary Arrangement in early 2003 to include the 1992 Board provision requiring advance notification.

4. (S) Heinonen suggested that because Code 3.1 was governed by a special Board decision from 1992, it was a firm safeguards obligation for Iran equal to other obligations in the safeguards agreement itself. He said that abrogation of advance design notification would be a significant safeguards violation. Based on the press reports, he said that the Iranian "decision" may only affect future facilities, but would have no effect on Natanz. Heinonen said it would be harder, without the provision, to have confidence in the "bigger picture" in Iran.

Legalities Uncertain

5. (S) Our Australian counterparts, however, opined that they do not think Iran's latest actions constitute safeguards violations. Our best contact in the IAEA legal section is out of the country, but another told us the Subsidiary Arrangement is a "living document," and both sides have to agree to the text and on changes to the text (Note: this was a generic discussion on SAs, not specific to Iran. End

Note.)

¶6. (U) The Safeguards Agreement is the undertaking to allow safeguards to be applied; the Subsidiary Arrangement is the document that specifies how safeguards will be conducted. According to INFCIRC/153 para 39: "The Agreement should provide that the Agency and the State shall make Subsidiary Arrangements which shall specify in detail to the extent necessary to permit the Agency to fulfill its responsibilities under the safeguards agreement in an effective and efficient manner, how the procedures in the safeguards agreement are to be applied." The Agency may implement safeguards while the Subsidiary Arrangement is under negotiation. Once a text has been agreed, lacking notification from the State of a desired change, the IAEA would continue to believe that existing text of the Subsidiary Arrangements applied.

Implications Of An Iranian Decision to Abrogate 3.1

¶7. (S) The April 1992 Board resolution and the August 2003 DG's report cite the importance of providing early design information for new nuclear facilities, as well as to modifications of existing facilities. If Iran is curtailing implementation of Code 3.1, it conceivably could establish new enrichment facilities without having to provide early notification to the IAEA. Since it also pertains to modifications of existing facilities, Iran could possibly change its plans at Natanz to eventually include P-2 centrifuges without providing early notification.
SCHULTE